

LISKOW & LEWIS

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Richard W. Revels, Jr.
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February 2, 2007

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
Post Office Box 94275
Baton Rouge, LA 70804-4275

Re: Hosston Formation, Reservoir A
Cotton Valley Formation, Reservoir A
Clay Field, Lincoln Parish, Louisiana
Substitute unit well designations
and request to downhole combine production

Dear Commissioner Welsh:

Application is hereby made on behalf of **MATADOR PRODUCTION COMPANY** for the calling of public hearings, after ten (10) days legal notice, to consider evidence relative to the issuance of orders pertaining to the following matters:

1. To permit the applicant to drill, designate and utilize its James Moncrief et al 2 No. 1 Well as substitute unit well for the HOSS RA SUC, said well located as shown on the plat attached hereto, in exception to the spacing provisions of Office of Conservation Order No. 573-E, effective May 24, 1978.

2. To permit the applicant to drill, designate and utilize its James Moncrief et al 2 No. 1 Well as substitute unit well for the CV RA SUC, said well located as shown on the plat attached hereto, in exception to the spacing provisions of Office of Conservation Order No. 573-D, effective May 24, 1978.

3. To find that each of the proposed substitute unit wells are necessary to efficiently and economically drain a portion of its respective reservoir covered by the unit which cannot be so drained by any existing well within such unit.

4. To grant authority to downhole combine production from the HOSS RA SUC and CV RA SUC, including production from the James Moncrief et al 2 No. 1 Well, in Clay Field, Lincoln Parish, Louisiana. The HOSS RA SUC is identical to the corresponding CV RA SUC and ownership of production attributable thereto is also identical to the best of applicant's knowledge.

February 2, 2007

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Page 2

5. Except to the extent contrary herewith, to continue in full force and effect the provisions of Office of Conservation Order No. 573-E, effective May 24, 1978, as amended and supplemented by the 573-E Series of Orders, and Office of Conservation Order No. 573-D, effective May 24, 1978, as amended and supplemented by the 573-D Series of Orders, the units created thereby, and applicable Statewide Orders, respectively.

6. To consider such other matters as may be pertinent.

The Hosston Formation, Reservoir A, in the Clay Field, Lincoln Parish, Louisiana, was fully defined in Office of Conservation Order No. 573-E, effective May 24, 1978.

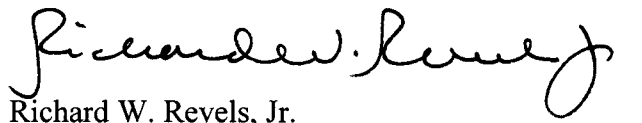
The Cotton Valley Formation, Reservoir A, in the Clay Field, Lincoln Parish, Louisiana, was fully defined in Office of Conservation Order No. 573-D, effective May 24, 1978.

The existing unit well for each of these units has been plugged and abandoned. The applicant is therefore requesting permission to drill, designate and utilize its James Moncrief et al 2 No. 1 Well as substitute unit well for the HOSS RA SUC and CV RA SUC, located in exception to the spacing provisions of Office of Conservation Order Nos. 573-E and 573-D, both effective May 24, 1978.

Attached hereto and made a part hereof are plats outlining the applicant's proposals and a list of the names and addresses of the Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, the list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties.

Finally, enclosed is our check on behalf of the applicant in the amount of \$2,265.00 **made payable to the Office of Conservation** and representing the required hearing application fee.

Very truly yours,

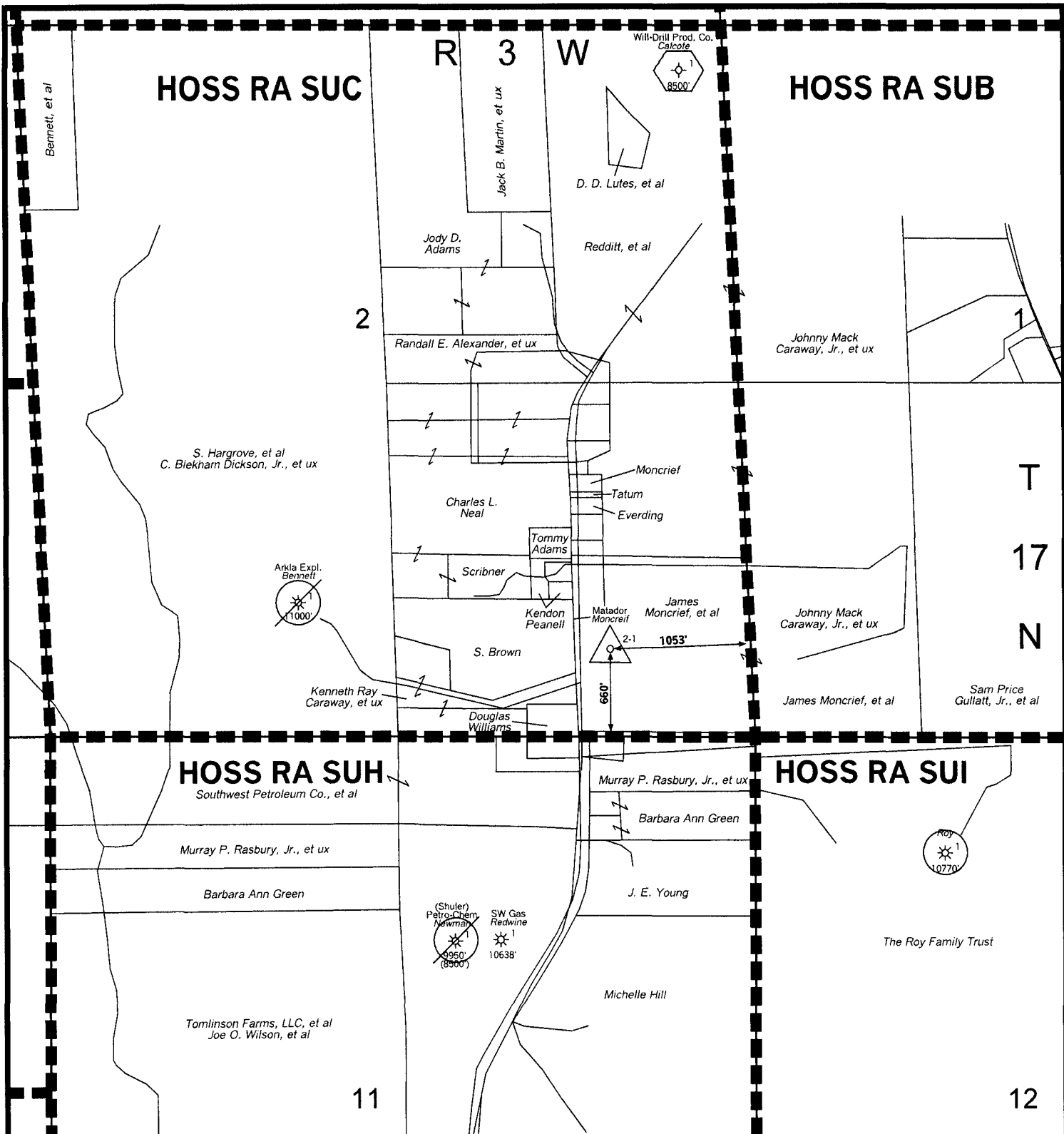

Richard W. Revels, Jr.

RWRjr/dbf
Enclosures

cc: Mr. James Broussard, Shreveport District Office of Conservation

cc: Interested Owners, Represented Parties and Interested Parties

190033_1
54779.0002



AS PER 573-E SERIES
 CURRENT UNIT WELL
 CURRENT ALTERNATE UNIT WELL
 PROPOSED SUBSTITUTE UNIT WELL

EXHIBIT NO. _____ DOCKET NO. _____
MATADOR PRODUCTION COMPANY
 CLAY FIELD
 LINCOLN PARISH, LOUISIANA
 PROPOSED SUBSTITUTE UNIT WELL
HOSS RA SUC
 Witness: David Comeaux
 0 1000' 2000'
 DATE: _____
LEON E. COMEAUX & ASSOCIATES
 LAFAYETTE, LOUISIANA 337-233-9839

